
Act 48: Special Populations & Benefit Design in Green Mountain Care

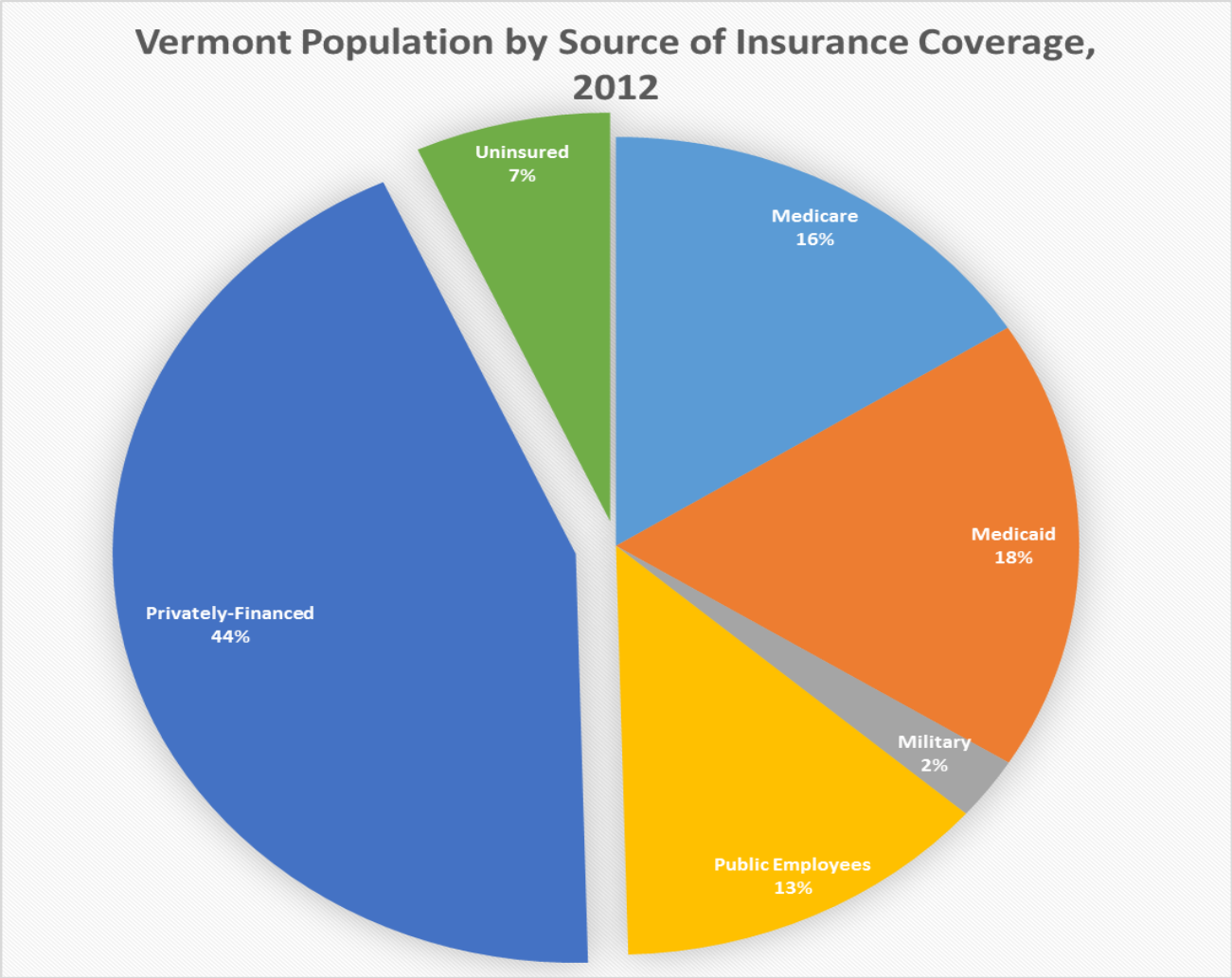
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Sources of Coverage



Special Populations

- Medicare
- TriCare
- State Employee Plans

MEDICARE



Who is eligible for Medicare

- Individuals age 65+
 - Only if 10 years of work history
 - Self or spouse
- Individuals with permanent disability
 - Defined as 24 months of SSDI payments
- Individuals with end-stage renal disease or Lou Gehrig's disease

Medicare: 4 Parts

- Part A – hospital insurance
 - Funded with payroll tax
- Part B – physicians, outpatient, home health
 - About \$105/month premium
 - \$147/year deductible
- Part C – Medicare Advantage (managed care)
 - Replaces A, B, D
- Part D – drugs
 - Premiums and plan design varies

Medicare coverage limits

- skilled nursing facilities:
 - Days 1–20: \$0 for each benefit period .
 - Days 21–100: \$152 coinsurance per day of each benefit period.
 - **Days 101 and beyond: all costs.**

- hospitals:
 - \$1,216 deductible for each benefit period .
 - Days 1–60: \$0 coinsurance for each benefit period.
 - Days 61–90: \$304 coinsurance per day of each benefit period.
 - Days 91 and beyond: \$608 coinsurance per day up to 60 days
 - 60 day lifetime limit
 - **Beyond lifetime limit : all costs.**

Public Medicare Supplemental Plans

- Medicaid
 - “Full duals”
 - covers Medicare premiums, cost-sharing , & services up to Medicaid benefits
 - Medicare Savings Programs
 - QMB – 100% FPL
 - Covers Medicare premiums (A & B), Part B premium & co-insurance & deductibles for A & B
 - SLMB & QI-1 – 135% FPL - Part B premium only
- VPharm – wraps Part D
 - 150% FPL: Part D premium, cost-sharing, add’l drugs, diabetic supplies, eye exams
 - 225% FPL: maintenance meds & diabetic supplies

Private Medicare Supplemental Plans

Medigap Benefits	Medigap Plans									
	A	B	C	D	F*	G	K	L	M	N
Part A coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Part B coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes***
Blood (first 3 pints)	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A hospice care coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Skilled nursing facility care coinsurance	No	No	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A deductible	No	Yes	Yes	Yes	Yes	Yes	50%	75%	50%	Yes
Part B deductible	No	No	Yes	No	Yes	No	No	No	No	No
Part B excess charges	No	No	No	No	Yes	Yes	No	No	No	No
Foreign travel exchange (up to plan limits)	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes
Out-of-pocket limit**	N/A	N/A	N/A	N/A	N/A	N/A	\$4,940	\$2,470	N/A	N/A

GMC Supplemental: 3 Options

- Medicare is primary insurance.
 - Eligibility not changed
 - Coverage not changed

- 3 options for supplementing primary Medicare:
 - GMC Medicare Advantage
 - GMC Wrap
 - GMC Full Wrap

GMC Medicare Advantage

- Offer a Medicare Advantage plan alongside other Medigap and Medicare Advantage plans
- Vermonter chooses this as an option in lieu of private plans and private Part D plans
- Pay premium to the state (no public financing)

GMC Wrap

- Secondary coverage through GMC
 - Covered services up to GMC level
- Part B premium paid by the individual
- State pays Part D premium and wraps it up to GMC levels
 - Like Vpharm does today
- Public financing supports wrap coverage, but looking at different system for secondary versus primary
 - \$83M in UMass as *preliminary* estimate
- Vermonter could choose private

GMC Full Wrap

- Secondary coverage through GMC
 - Covered services up to GMC level
- Part B premium paid by the state
- State pays Part D premium and wraps it up to GMC levels
 - Like VPharm does today
- Public financing supports wrap coverage, but looking at different system for secondary versus primary
 - \$246M in UMass as *preliminary* estimate
- Vermonter could choose private coverage

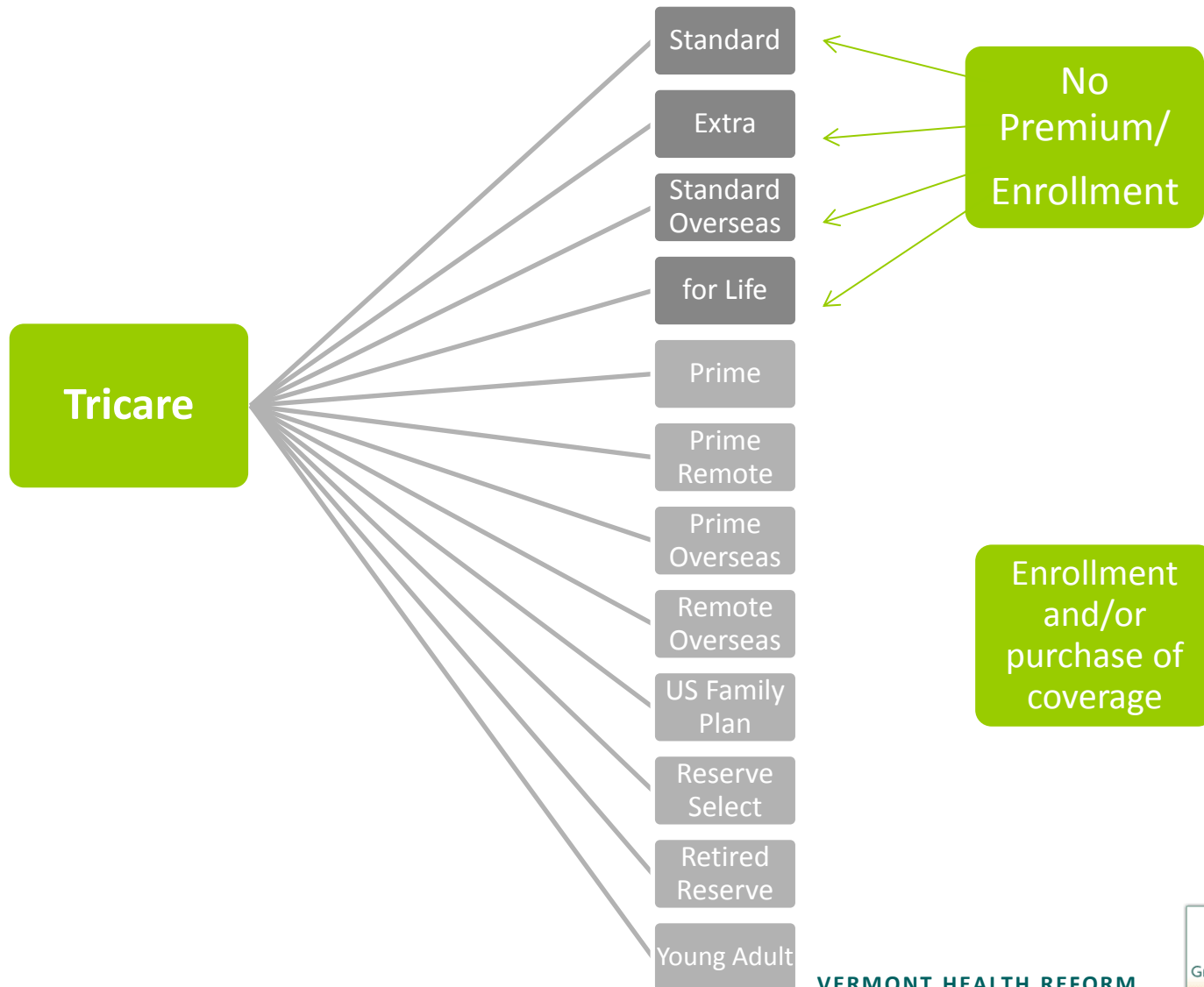
TRICARE



What is TRICARE?

- TRICARE is the health care program serving uniformed service members, military retirees and their families.
- To be eligible for TRICARE you must be enrolled in the Defense Enrollment Eligibility Reporting System (DEERS).

Tricare



Vermont and TRICARE

- 2,307 Service Members were eligible for TRICARE Reserve Select
- 315 Service Members on Active Duty Guard or Active Duty Orders were eligible for TRICARE.
- Roughly 1400 Vermonters are enrolled in a TRICARE Prime. This plan offers managed care for retirees that are not yet eligible for TRICARE for Life.
- 2,264 Vermont Medicaid members have TRICARE insurance that serves as a primary payer over Medicaid.
- Note: Numbers from 2011

Issues with TRICARE

- TRICARE Prime does not cover routine care for beneficiaries out of state
- TRICARE Standard and Extra have higher cost sharing and deductibles than other TRICARE programs
- TRICARE beneficiaries have difficulty receiving counseling
 - TRICARE contractor does not recognize some psychologists
 - TRICARE does not reimburse substance abuse counselors

STATE EMPLOYEE PLANS



Differences between GMC & state employee plans

Cost Impact Compared to Original GMC	Difference in Cost-Sharing	Impact of Induced Demand	Difference in Covered Services
SelectCare	8.5%	5.1%	0.1%
Total Choice	6.2%	3.7%	-0.1%

- Major cost factor is cost-sharing and “induced demand,” i.e. people using more medical services. Benefits are a much smaller factor.
- Major benefit difference for SelectCare is infertility treatment services
- Total Choice covered services are not as comprehensive as GMC benefits.

GMC BENEFIT DESIGN



Benefits: legal considerations

- Covered Services
 - Affordable Care Act requirements
 - Covered services at least as good as those provided by essential health benefits
 - Act 48 requirements
 - Covered services at least as good as Catamount Health (less than ACA)
 - Consider adding dental, vision, long-term services & supports
 - Cost estimates in UMass report

Benefits: legal considerations

- Cost-sharing
 - Affordable Care Act requirements
 - at least as good as income-sensitive cost-sharing
 - out of pocket maximum limits of \$6350 (HHS proposed \$6750 for 2015)
 - Act 48 requirements
 - Cost-sharing must be sliding scale based on income
 - Preferred actuarial value: 87% with 80% minimum

ACA Essential Health Benefits

Services In 10 Categories:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services, and chronic disease management
- Laboratory services
- Preventive and wellness services
- Pediatric services, including oral and vision care

Benefit Plan Design: Overall Considerations

First \$\$ covered services
Preventive Care / Screening / Immunization



Deductible
Medical, Drug or Combined



Co-pay/Co-Insurance for Covered Services
In Network – Out of Network



Out of Pocket Maximums
Medical, Drug or Combined
In Network – Out of Network
Individual – Family

Benefit Plan Design: Copayment or Coinsurance

Primary Care Visit to Treat an Injury or Illness	Emergency Room Services	Mental/Behavioral Health Inpatient Services	Durable Medical Equipment	X-rays and Diagnostic Imaging	Radiation
Specialist Visit	Emergency Transportation/Ambulance	Substance Abuse Disorder Outpatient Services	Imaging (CT/PET Scans, MRIs)	Basic Dental Care - Child	Diabetes Education
Other Practitioner Office Visit (Nurse, Physician Assistant)	Inpatient Hospital Services (e.g., Hospital Stay)	Substance Abuse Disorder Inpatient Services	Routine Foot Care	Orthodontia - Child	Prosthetic Devices
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	Inpatient Physician and Surgical Services	Generic Drugs	Routine Eye Exam for Children	Major Dental Care - Child	Infusion Therapy
Outpatient Surgery Physician/Surgical Services	Bariatric Surgery	Preferred Brand Drugs	Eye Glasses for Children	Abortion for Which Public Funding is Prohibited	Treatment for Temporomandibular Joint Disorders
Hospice Services	Cosmetic Surgery	Non-Preferred Brand Drugs	Dental Check-Up for Children	Transplant	Nutritional Counseling
Non-Emergency Care When Traveling Outside the U.S.	Skilled Nursing Facility	Specialty Drugs	Rehabilitative Speech Therapy	Accidental Dental	Reconstructive Surgery
Private-Duty Nursing	Prenatal and Postnatal Care	Outpatient Rehabilitation Services	Rehabilitative Occupational and Rehabilitative Physical Therapy	Dialysis	Clinical Trials
Urgent Care Centers or Facilities	Delivery and All Inpatient Services for Maternity Care	Habilitation Services	Well Baby Visits and Care	Allergy Testing	Diabetes Care Management
Home Health Care Services	Mental/Behavioral Health Outpatient Services	Chiropractic Care	Laboratory Outpatient and Professional Services	Chemotherapy	Off Label Prescription Drugs
Dental Anesthesia	Prescription Drugs Other	Mental Health Other	Bones/Joints	Nutrition/Formulas	Outpatient Contraceptive Services Including Sterilizations

Benefit Comparisons

	State Employee Plan 94% AV	Act 48 87% AV	Gold Plan 80% AV
Covered Services	Add'l infertility & chiropractic	BCBSVT	BCBSVT
Medical Deductible (Individual/Family)	\$100/\$200	\$750/\$1500	\$750/\$1500
Medical Out of Pocket Max (Individual/Family)	\$500/\$1000	\$1250/\$2500	\$4250/\$8500
Additional Cost/(Savings)	\$288	\$0	(\$225)

Adult Dental Preventive 100%, Restorative 80%	\$218
Adult Dental Preventive 100%, Restorative 80%, Major 50%	\$294
Adult Vision	\$46